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# Net Metering and the Easy Connection Act

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Energy Center fact sheet

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This fact sheet answers frequently asked questions on the current status of net metering in Missouri under the "Net Metering and Easy Connection Act" (Section 386.890; TAFP HCS SCS SB 54. The full text of the portion of the bill related to Net Metering and the Easy Connection Act can be found at: <http://www.senate.mo.gov/07info/pdf-bill/tat/SB54.pdf> on pages 36-41.)

## **Which utilities must provide "Easy Connection"?**

The law applies to all electric regulated utilities, municipal and rural electric cooperatives. Electric utilities (AmerenUE, Kansas City Power & Light Company, Aquila, Inc., Empire District Electric Company) regulated by the Missouri Public Service Commission (PSC) will be required to offer net metering and interconnection under the new law pursuant to rules adopted by the PSC by October 1, 2008.

Municipal electric utilities and rural electric cooperatives are required by the law to adopt policies establishing a simple contract by October 1, 2008.

## **What is "Net Metering"?**

Where net metering is available, it enables the customer-generator to export power that is in excess of immediate on-site needs to offset an equal amount of power supplied by the utility at a different time in the billing period. In this situation the customer is billed for the 'net' amount of power used that is in excess of power generated on-site.

If during the billing period, the customer generates more power than is used, the utility provides the customer a 'credit' for the surplus power. The credit is based on the cost the utility would have incurred to purchase the fuel consumed to generate an equal number of kilowatt-hours.

Without net metering any power generated on-site in excess of the customer's immediate use would be exported to the utility grid but would not affect the customer's bills. Thus net metering helps customers that own small renewable energy generation systems by providing some latitude regarding when the power generated on-site can be used.

## **Which renewable energy sources are eligible?**

To be eligible, electricity must be produced from wind, solar thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced by one of the above-named electrical energy sources, and other sources of energy that become available after August 28, 2007, and are certified as renewable by the Department of Natural Resources.

## **When can I expect to get an "Easy Connection" process at my utility?**

For many areas, a process should be available by Fall 2008. The law goes into effect on January 1, 2008. However, the PSC is required to promulgate initial rules by October, 2008.



The rule will require regulated electric utilities to file a tariff with the PSC to specify the terms of its contract for net metering and interconnection services.

As municipal utilities and rural electric cooperatives are not regulated by the PSC, these utilities are required to adopt policies establishing a simple contract within 9 months of the effective date -- by October 1, 2008.

### **How much can the utility charge me for the "Easy Connection"?**

The law provides that utilities shall not impose any fee, charge or other requirement not specifically authorized by the law or rules, unless it would also apply to similarly situated customers who are not customer-generators. The law requires the tariff or contract to be identical in rates, rate structure and monthly charges, and can not charge any additional stand-by, capacity, interconnection or other fee or charge that would be unique to a customer-generator.

However, if a customer-generator's existing meter equipment cannot measure the net amount of electrical energy produced or consumed by the customer, the customer must reimburse the utility for the costs to purchase and install the additional equipment. The equipment can be initially paid for by the utility, and the total costs and a reasonable interest charge can be recovered over a 12-month billing cycle. A customer also must pay for any subsequent meter testing, maintenance or meter equipment change 'necessitated by the customer generator'.

The law allows a utility to require the system to have a switch, circuit breaker, fuse or other device that can easily be used to disconnect from the electric grid. For small systems (10 kilowatts or less), no additional controls or tests or distribution equipment or liability insurance can be required beyond what is authorized in the law.

### **What can the utility require me to do to make an "Easy Connection"?**

An application must be accompanied by a plan that includes a wiring diagram and specifications for the generating unit. The customer must submit a certification from a professional electrician or engineer that the installation meets the interconnection requirements of the various codes and other requirements. The utility is required to review and respond within 30 days of receipt for small systems (10 kilowatts or less) and 90 days for all other systems (up to 100 kilowatts).

### **Are there Missouri businesses or contractors that sell or install renewable energy systems?**

The department publishes a list of renewable energy businesses and contractors from Missouri and adjoining states. The **Missouri Renewable Resources Directory** is available from the department's Web site at: <http://www.dnr.mo.gov/pubs/pub1292.pdf>.

### **For More Information**

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